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September 18, 2008

Via Federal Express

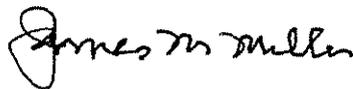
Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: The Applications of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (II) Approval of Transactions, (III) Approval to Issue Evidences of Indebtedness, and (IV) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc., for Approval of Transactions, PSC Case No. 2007-00455

Dear Ms. Stumbo:

Enclosed for filing on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of Big Rivers' Supplemental Response to Item 88 of the Attorney General's Supplemental Request for Information. In this supplemental response, Big Rivers is providing additional reports relating to the condition and maintenance of its generating plants. These reports are being provided in electronic form on CD. I certify that this letter and the supplemental response have been served on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej
Enclosure

cc: Michael H. Core
David Spainhoward
Service List

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PSC CASE NO. 2007-00455

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1 **BIG RIVERS ELECTRIC CORPORATION'S**
2 **RESPONSE TO THE ATTORNEY GENERAL'S SUPPLEMENTAL**
3 **REQUEST FOR INFORMATION**
4 **PSC CASE NO. 2007-00455**
5 **March 6, 2008**

6 (Supplement of September 18, 2008)

7
8 **Item 88) Please reference Response to HMP&L 1-7. When does Big Rivers anticipate**
9 **it will complete its due diligence review of the facilities?**

10
11 **Supplemental Response)** Big Rivers Electric Corporation ("Big Rivers") files this
12 supplement to its response to Item 88 of the Attorney General's Supplemental Request for
13 Information to provide additional information relating to the condition and maintenance of the
14 generating plants that Big Rivers owns or leases and to respond to a request for any and all
15 generating plant due diligence reports in Big Rivers' possession, which request the Attorney
16 General made in an August 12, 2008 email and in a September 2, 2008 letter. Big Rivers
17 previously supplemented its response to Item 88 of the Attorney General's Supplemental
18 Request for Information on May 30, 2008, and on June 24, 2008.

19
20 Some of Big Rivers' due diligence documents are being withheld because they were
21 commissioned in anticipation of litigation pursuant to a Consulting Services Agreement between
22 Stanley and Big Rivers' Counsel dated April 16, 2003. Specifically, Big Rivers has not provided
23 the following reports prepared by Stanley Consultants under engagement with Big Rivers'
24 counsel on the grounds that these documents are protected by the attorney work product
25 privilege:

- 1 • "HMPL Station Two Baseline Technical Audit Report as of August 2003," marked and
2 dated "Final October 2004"
- 3
- 4 • "D.B. Wilson Station Baseline Technical Audit Report as of August 2003," marked and
5 dated "Final October 2004"
- 6
- 7 • "Kenneth C. Coleman Station Baseline Technical Audit Report as of August 2003,"
8 marked and dated "Final October 2004"
- 9
- 10 • "Robert A. Reid Station Baseline Technical Audit Report as of August 2003," marked
11 and dated "Final October 2004"
- 12
- 13 • "Robert D. Green Station Baseline Technical Audit Report as of August 2003," marked
14 and dated "Final October 2004"
- 15
- 16 • Green Station Unit 2, May 21-22, 2004, Stanley Consultants, Inc.
- 17 • 2003 HMP&L Reid Station Unit 2, June 25, 2004, Stanley Consultants, Inc. (Riley Power
18 sub.)
- 19 • 2003 HMP&L Reid Station Unit 2, Phase II, December 30, 2004, Stanley Consultants,
20 Inc. (Riley Power sub.)
- 21 • D.B. Wilson Unit 1, December 2004, Stanley Consultants, Inc.
- 22 • 2004 D.B. Wilson Unit 1, November 2-5, 2004, Stanley Consultants, Inc. (Foster
23 Wheeler sub.)
- 24 • 2004 Green Station Unit 1, November 2004, Stanley Consultants, Inc. (Babcock &
25 Wilcox sub.)
- 26 • 2008 HMP&L Station Two, January 21, 2008, Exothermic Engineering, LLC (prepared
27 and at the request of counsel by letter dated August 31, 2007)

28

29 Big Rivers has also reviewed additional plant reports for privilege and determined that
30 the following due diligence documents relating to plant condition and maintenance are not
31 covered by the Consulting Services Agreement with Big Rivers' counsel. These documents are
32 included in the CD attached to this response:

- 33 • 2006 Coleman Station Unit 3, July 11, 2006, Stanley Consultants, Inc. (Babcock Power
34 sub.)

- 1 • 2007 Green Station Unit 1, Spring 2007, Stanley Consultants, Inc. (Hutter Enterprises
2 sub.)
- 3 • 2007 Coleman Unit 2, Spring 2007, Stanley Consultants, Inc. (Hutter Enterprises sub.)
- 4 • 2008 Coleman Unit 1, Spring 2008, Stanley Consulting, Inc. (Hutter Enterprises sub.)
- 5 • 2008 D.B. Wilson Unit 1, Spring 2008, Stanley Consulting, Inc. (Hutter Enterprises sub.)
- 6 • 2008 Coleman Unit 1, July 17, 2008, Stanley Consultants, Inc. (Babcock Power sub.)

7
8 For the convenience of the Commission and the parties, Big Rivers provides the
9 following references to the locations in the record where Big Rivers has previously filed reports
10 related to generating plant due diligence, plant maintenance and plant conditions:

- 11 • Big Rivers filed a number of documents from Stanley Consultants (under a petition for
12 confidential treatment) in Big Rivers' Response to the Initial Data Request of Henderson
13 Municipal Power & Light, Item 6, filed on or about February 14, 2008.
14
- 15 • Big Rivers filed additional reports from Stanley Consultants in six CDs attached to Big
16 Rivers Electric Corporation's Response to the Commission Staff's First Data Request,
17 Item 51, filed on or about February 14, 2008, Item 51.
18
- 19 • Big Rivers provided a CD containing reports prepared by Stanley Consultants in Big
20 Rivers' Updated Responses to Data Requests, Tab 11, Item 51, filed on or about May 30,
21 2008.
22
- 23 • Big Rivers attached a report to Big Rivers' Supplemental Response to the Attorney
24 General's Supplemental Request for Information, Tab 1, Item 88, filed on or about June
25 24, 2008, in which it responded to recommendations in an April 2007, Stanley
26 Consultants report entitled "Analysis of WKE Outages."
27
- 28 • Big Rivers attached a memorandum to Big Rivers Electric Corporation's Updated
29 Responses to Data Requests, Tab 13, Item 88, filed on or about May 30, 2008, in which
30 Mark A. Bailey responded to Big Rivers' board of directors inquiries relating to plant
31 conditions.
32

33 Big Rivers has also expressed its views on recommendations and observations made in
34 certain reports referenced in data requests. Big Rivers responded to recommendations from the
35 Smelters' Stone & Webster report in Big Rivers Electric Corporation's Response to the Attorney

1 General's Supplemental Request for Information to Joint Applicants, Items 94-100, 121, filed on
2 or about March 6, 2008. Big Rivers discussed assumptions made in an ACES Power Marketing
3 study in Big Rivers Electric Corporation's Response to the Attorney General's Supplemental
4 Request for Information to Joint Applicants, Item 114, filed on or about March 6, 2008. And Big
5 Rivers outlined the actions it has taken or will take to implement the recommendation from a Hill
6 & Associates report regarding barges and barging service in Big Rivers Electric Corporation's
7 Response to the Commission Staff's Supplemental Data Request, Item 21, filed on or about
8 March 6, 2008.

9 Based on the foregoing, Big Rivers believes its knowledge of the condition of its
10 generating units at closing will be substantially greater than the knowledge of facility conditions
11 most utilities would have upon the acquisition of generating plants. Moreover, Big Rivers
12 required that one of the conditions to closing be that the generating units must be in good
13 condition and state of repair, and Big Rivers will not close if that condition is not satisfied at
14 closing. Big Rivers' due diligence review will continue up to the closing of the Unwind
15 Transaction. *See* Big Rivers Electric Corporation's Response to the Commission Staff's First
16 Data Request, Item 51, filed on or about February 14, 2008; Big Rivers Electric Corporation's
17 Updated Responses to Data Requests, Tab 13, Item 88, filed on or about May 30, 2008; *see also*
18 Rebuttal Testimony of Mark A. Bailey, filed on or about April 23, 2008, at 2-5; Rebuttal
19 Testimony of Michael H. Core, filed on or about April 23, 2008, at 5-7; Big Rivers Electric
20 Corporation's Response to the Attorney General's Initial Request for Information to Joint
21 Applicants, Items 109-110, filed on or about February 14, 2008; Big Rivers Electric
22 Corporation's Response to the Commission Staff's Second Supplemental Data Request, Item 12,
23 filed on or about April 16, 2008; Big Rivers Electric Corporation's Response to the Attorney

1 General's Supplemental Request for Information to Joint Applicants, Item 88, filed on or about
2 March 6, 2008.

3 **Witness)** Mark A. Bailey

4 David A. Spainhoward

CD-1

Stanley C-1 2008 T/G overhaul report
Stanley G-1 2007 T/G overhaul report
Stanley C-2 2007 T/G overhaul report
Stanley C-1 2008 boiler condition report
Stanley C-3 2006 boiler condition report

CD-2

Stanley W-1 2008 T/G overhaul report